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## Canada

## Oilseeds and Products

## Peanut Sector Report

**2003**

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**Report Highlights:**

While peanuts have been grown in the U.S. for decades, Canada is not a large peanut producing country. Production is limited to several small growers located in the south-western region of the province of Ontario. Peanuts were first grown in Canada in 1982. Canada's peanut industry is extremely small. Canadian production for 2002/03 is estimated by Post to be 300 metric tonnes. Based on plans for increased acreage for 2003/04, Post forecasts that production in 2003/04 will increase to 330 MT. Canada's very limited domestic production of peanuts means that Canada's supplies of peanuts are almost 100% derived from foreign imports, primarily from the U.S. Canadian exports of peanuts, peanut oil, and peanut meal are almost non-existent. Canada's only significant export of peanut and peanut products is peanut butter, exporting 15,300 MT in the 2002/03 market year.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
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## PEANUT HISTORY

While peanuts have been grown in the U.S. for decades, Canada is not a large peanut producing country. In the late 1970's to the early 1980's, in an effort to offset declines acreage devoted to tobacco growing brought about by the decline in tobacco consumption, there was a small movement by local Ontario growers to switch acreage from tobacco to peanuts. Production is limited to several small growers located in the south-western region of the province of Ontario, a region in which there is a suitable combination of sandy soil and a temperate climate, conducive to growing peanuts. Peanuts were first grown in Canada in 1982. In the mid-1980's, a Canadian Peanut Growers Association was formed, but it was quickly dissolved due to bankruptcy.

## PRODUCTION

Due to the extremely small size of the industry in Canada, Statistics Canada, the Canadian federal government statistical agency, does not track Canadian peanut production or stocks. According to industry sources, there are three small producers growing peanuts in Ontario. Harvested acreage is currently approximately 300 acres, with average yields of approximately 1.0 metric tonnes (MT) per acre. Canada's harvested acreage represents 1/50<sup>th</sup> of one percent of U.S. harvested peanut acreage, or 1/20<sup>th</sup> of one percent of Georgia's (the largest U.S. peanut producing state) harvested acreage. Canadian production for 2002/03 is estimated by Post to be 300 MT. Based on plans for increased acreage for 2003/04, Post forecasts that production in 2003/04 will increase to 330 MT.

Peanut production and quality issues are generally weather-related. According to the Ontario Ministry of Agriculture and Food (OMAF), peanuts require a minimum of 3,000 corn heat units for normal growth and development. Peanuts grown in areas with fewer heat units will not reach optimum maturity and generally the yield is too low to justify commercial production. Varieties licensed for use in Ontario are the Valencia varieties of OAC Garroy, OAC Ruby and OAC Tango, that, according to OMAF, mature a little earlier and are higher yielding than U.S. varieties such as McRan, Valencia A and Valencia C.

## PEANUT PROCESSING/MANUFACTURING

According to industry sources, with the exception of peanut butter, most of Canadian shelled and in-shell peanuts are consumed domestically. The Peanut Bureau of Canada reports that Canadian per-capita consumption of peanuts is 2.7 kilograms. There is very limited value-added production of peanut products for domestic export, such as peanut brittle, honey-roasted peanuts and party snacks, chip nuts, and confectionary products.

According to the North American Industry Classification System (NAICS), the Roasted Nut and Peanut Butter manufacturing industry in Canada comprises establishments primarily engaged in salting, roasting, drying, cooking or canning nuts; processing grains or seeds into snacks; or manufacturing peanut butter. According to Industry Canada, there are 47 establishments involved in the roasted nut and peanut butter manufacturing industry in Canada. Manufacturing shipments for this industry increased from C\$187.1 million in 1992 to C\$253.0 million in 2001, or at an average compound annual rate of 3.4% per year. Between 2000 and 2001, manufacturing shipments increased by 9.0%. Manufacturing value-added for the Roasted Nut and Peanut Butter manufacturing national industry increased from C\$46.8 million in 1992 to C\$56.9 million in 2001, or at an average rate of 2.2% per annum. Over the course of the two latest years, the growth rate was -2.2%. For additional information on the Roasted Nut and Peanut Butter manufacturing industry in Canada, visit the Industry Canada Strategis web site at:

[http://strategis.ic.gc.ca/canadian\\_industry\\_statistics/cis.nsf/idE/cis311911defE.html](http://strategis.ic.gc.ca/canadian_industry_statistics/cis.nsf/idE/cis311911defE.html)

## PEANUT TRADE AND MARKETING

Canada's very limited domestic production of peanuts means that Canada's supplies of peanuts are almost 100% derived from foreign imports. Canada's imports of peanuts are comprised mostly of shelled peanuts, representing 90% of Canadian imports. The U.S. is the primary supplier of peanuts for Canada, with 75% of the Canadian market share in 2001/02. Argentina edged China as the second largest supplier to Canada, with each country accounting for approximately 10% of the Canadian market. In 2002/03, U.S. market share dropped from 75% to 65%, while China's market share increased to almost 19%, and Argentina's market share increased slightly to 13%.

Canada imports very limited amounts of peanut oil and meal. The U.S. is the largest exporter of peanut oil to Canada, but the U.S. share of the Canadian market has decreased from 91% in 2001/02 to 83% in 2002/03. In 2001/02, the U.S. was the primary source (97%) of imports for Canadian peanut meal. However, in 2002/03, Argentina displaced the U.S. as the top supplier for Canada, supplying 89% of Canadian peanut meal imports. In 2002/03, Canadian imports of peanut meal increased by more than six-fold, with Argentina supplying 90%, with the U.S. supplying the remaining 10%.

Canadian exports of peanuts, peanut oil, and peanut meal are almost insignificant. In 2001/02, Canada exported 54 MT of peanuts, primarily to China. In 2002/03, Canadian peanut exports almost doubled to 104 MT, shipping 36 MT to China and 52 MT to Guyana. The U.S. took all of Canada's peanut oil exports in 2001/02 and 2000/01, and over 98% of Canada's 2002/03 exports. The last time Canada exported peanut meal was in the 2000/01 marketing year when it exported 86 MT to the U.S. Canada's only significant export of peanut and peanut products is peanut butter. In 2001/02, Canada exported 14,900 MT, with 97% of total exports to the U.S. In 2002/03, total exports increased slightly to 15,300 MT, with the U.S. taking 93%. The Canadian federal government has an export tariff rate quota (TRQ) governing peanut butter exports to the U.S. amounting to 14,500 MT. For additional information on Canada's peanut butter TRQ, visit the following Canadian Department of Foreign Affairs and International Trade Export and Import Control Bureau website: <http://www.dfait-maeci.gc.ca/trade/eicb/notices/ser133-en.asp>

In 1999, the American Peanut Council established the Peanut Bureau of Canada (PBC) as its Canadian information office. The Bureau is dedicated to educating Canadian health care professionals, media and consumers about peanuts and peanut products as part of a healthy diet. The Bureau provides relevant and timely information to Canadian consumers, media, home economists, dietitians and other medical professionals. The Peanut Bureau of Canada works closely with the American Peanut Council to ensure Canadians receive the most recent scientific research information about peanuts and peanut products.

## STATISTICS

Table 1: Peanut PSD

PSD Table

Country: Canada

Commodity: Peanuts\*

|                          | Revised<br>Post<br>Estimate<br>['01/02] | Estimate<br>Post<br>Estimate<br>['02/03] | Forecast<br>Post<br>Estimate<br>['03/04] | UOM        |
|--------------------------|---|--|--|------------|
| Market Year Begin        | Oct-01                                  | Oct-02                                   | Oct-03                                   |            |
| Area Harvested           | 0.30                                    | 0.30                                     | 0.33                                     | '000 ACRES |
| Beginning Stocks         | 0.00                                    | 0.00                                     | 0.00                                     | '000 MT    |
| Production               | 0.30                                    | 0.30                                     | 0.33                                     | '000 MT    |
| TOTAL Mkt. Yr. Imports** | 117.30                                  | 109.40                                   | 115.00                                   | '000 MT    |
| TOTAL SUPPLY             | 117.60                                  | 109.70                                   | 115.33                                   | '000 MT    |
| TOTAL Mkt. Yr. Exports** | 0.05                                    | 0.10                                     | 0.05                                     | '000 MT    |
| TOTAL Dom. Consumption   | 117.55                                  | 109.60                                   | 115.28                                   | '000 MT    |
| Ending Stocks            | 0.00                                    | 0.00                                     | 0.00                                     | '000 MT    |
| TOTAL DISTRIBUTION       | 117.60                                  | 109.70                                   | 115.33                                   | '000 MT    |

\* In-shell basis

\*\* In-shell basis (shelled and blanched peanuts converted at 1.3333)

Table 2: Peanut Import Trade Matrix

World Trade Atlas

Canada - Imports -Total-

HS: 120210, 120220, 2008112000 Peanuts (in-shell, shelled\*, blanched\*)

UOM: KGM

| Country         | Oct 00-Sep 01 | Oct 01-Sep 02 | Oct 02-Sep 03 |
|-----------------|---------------|---------------|---------------|
| -- The World -- | 108,297,192   | 117,304,153   | 109,380,175   |
| United States   | 73,481,834    | 88,215,862    | 71,007,087    |
| China           | 11,724,490    | 11,789,685    | 19,842,624    |
| Argentina       | 19,360,308    | 12,784,166    | 14,409,374    |
| Nicaragua       | 2,209,719     | 3,520,353     | 3,672,727     |

\* converted to in-shell basis using conversion factors of 1.3333)

**Table 3: In-Shell Peanut Import Trade Matrix**

World Trade Atlas

Canada - Imports -Total-

HS: 120210 IN SHELL PEANUTS

UOM: MT

| Country         | Oct 00-Sep 01 | Oct 01-Sep 02 | Oct 02-Sep 03 |
|-----------------|---------------|---------------|---------------|
| -- The World -- | 5,881         | 7,581         | 7,604         |
| China           | 3,001         | 2,697         | 4,306         |
| United States   | 2,257         | 4,746         | 3,196         |
| Argentina       | 495           | 27            | 0             |
| Other           | 128           | 111           | 103           |

Source of Data: Statistics Canada

**Table 4: Shelled Peanut Import Trade Matrix**

World Trade Atlas

Canada - Imports -Total-

HS: 120220 SHELLED PEANUTS

| Country         | shelled<br>Oct 00-Sep 01 | shelled<br>Oct 01-Sep 02 | shelled<br>Oct 02-Sep 03 |
|-----------------|--------------------------|--------------------------|--------------------------|
| -- The World -- | 76,084.2                 | 80,135.9                 | 73,281.7                 |
| United States   | 53,152.6                 | 60,885.6                 | 48,877.7                 |
| Argentina       | 14,149.0                 | 9,568.2                  | 10,802.6                 |
| China           | 6,098.3                  | 6,384.1                  | 10,594.9                 |
| Nicaragua       | 1,657.3                  | 2,640.3                  | 2,754.6                  |
| South Africa    | 176.0                    | 244.1                    | 34.8                     |
| Germany         | -                        | 144.5                    | -                        |
| Mexico          | 659.5                    | 45.5                     | -                        |
| Other           | 0.2                      | 0.2                      | 0.2                      |

Source of Data: Statistics Canada

**Table 5: Blanched Peanut Import Trade Matrix**

World Trade Atlas

Canada - Imports -Total-

HS: 2008112000 Peanuts blanched

UOM: MT            blanched            blanched            blanched

| Country        | Oct 00-Sep 01 | Oct 01-Sep 02 | Oct 02-Sep 03 |
|----------------|---------------|---------------|---------------|
| -- The World - | 730           | 2,159         | 3,052         |
| United States  | 267           | 1,718         | 1,982         |
| China          | 445           | 435           | 1,058         |
| South Africa   | 10            | 0             | 0             |
| Other          | 8             | 5             | 12            |

Source of Data: Statistics Canada

**Table 6: Peanut Oil Import Trade Matrix**

World Trade Atlas

Canada - Imports -Total-

HS: 1508 PEANUT OIL,N CHEM MOD

UOM: MT

| Country         | Oct 00-Sep 01 | Oct 01-Sep 02 | Oct 02-Sep 03 |
|-----------------|---------------|---------------|---------------|
| -- The World -- | 2,145.0       | 2,184.5       | 2,431.9       |
| United States   | 1,965.3       | 1,927.2       | 2,008.7       |
| Argentina       | 26.8          | 88.3          | 194.9         |
| Hong Kong       | 89.5          | 44.0          | 101.7         |
| China           | 29.6          | 76.5          | 81.5          |
| France          | 28.5          | 22.4          | 28.9          |
| Japan           | -             | 6.5           | 9.1           |
| Other           | 5.4           | 19.6          | 7.1           |

Source of Data: Statistics Canada

**Table 7: Peanut Meal Import Trade Matrix**

World Trade Atlas

Canada - Imports -Total-

HS: 2305 PEANUT RESIDUES

UOM: MT

| Country         | Oct 00-Sep 01 | Oct 01-Sep 02 | Oct 02-Sep 03 |
|-----------------|---------------|---------------|---------------|
| -- The World -- | 1,233         | 1,387         | 8,922         |
| Argentina       | 28            | 1,229         | 8,060         |
| United States   | 1,198         | 142           | 862           |
| France          | 2             | 0             | 0             |
| India           | 4             | 17            | 0             |
| Other           | 0             | 0             | 0             |

Source of Data: Statistics Canada

**Table 8: Peanut Export Trade Matrix**

World Trade Atlas

Canada - Exports -Domestic-

HS: 120210, 120220 (IN SHELL, SHELLED\* PEANUTS)

UOM: MT

| Country         | - Oct 00-Sep 01 | Oct 01-Sep 02 | Oct 02-Sep 03 |
|-----------------|-----------------|---------------|---------------|
| -- The World -- | 0.0             | 54.2          | 103.8         |
| China           | 0.0             | 50.3          | 36.0          |
| Cuba            | 0.0             | 3.9           | 0.0           |
| Guyana          | 0.0             | 0.0           | 51.6          |
| Grenada         | 0.0             | 0.0           | 14.2          |
| Other           | 0.0             | 0.0           | 2.0           |

Source of Data: Statistics Canada

\* converted to in-shell basis using a 1.3333 (shelled) conversion factor

**Table 9: In-Shell Peanut Export Trade Matrix**

World Trade Atlas

Canada - Exports -Domestic-

HS: 120210 PEANUTS, IN SHELL

UOM: MT

| Country           | Oct 00-Sep 01 | Oct 01-Sep 02 | Oct 02-Sep 03 |
|-------------------|---------------|---------------|---------------|
| -- The World --   | 0.0           | 26.1          | 44.5          |
| China             | 0.0           | 26.1          | 36.0          |
| Guyana            | 0.0           | 0.0           | 6.8           |
| St. Kitts & Nevis | 0.0           | 0.0           | 0.8           |
| United States     | 0.0           | 0.0           | 0.6           |
| France            | 0.0           | 0.0           | 0.4           |
| Other             | 0.0           | 0.0           | 0.0           |

Source of Data: Statistics Canada

**Table 10: Shelled Peanut Export Trade Matrix**

World Trade Atlas

Canada - Exports -Domestic-

HS: 120220 SHELLED PEANUTS

UOM: MT

| Country           | shelled       | shelled       | shelled |
|-------------------|---------------|---------------|---------|
| - Oct 00-Sep 01   | Oct 01-Sep 02 | Oct 02-Sep 03 |         |
| -- The World --   | 0.0           | 21.1          | 44.5    |
| China             | 0.0           | 18.1          | 0.0     |
| Cuba              | 0.0           | 2.9           | 0.0     |
| Guyana            | 0.0           | 0.0           | 33.6    |
| Antigua & Barbuda | 0.0           | 0.0           | 0.1     |
| Grenada           | 0.0           | 0.0           | 10.7    |
| France            | 0.0           | 0.0           | 0.1     |
| Other             | 0.0           | 0.0           | 0.0     |

Source of Data: Statistics Canada



**Table 11: Peanut Oil Export Trade Matrix**

World Trade Atlas

Canada - Exports -Domestic-

HS: 1508 PEANUT OIL,N CHEM MOD

UOM: MT

| Country         | Oct 00-Sep 01 | Oct 01-Sep 02 | Oct 02-Sep 03 |
|-----------------|---------------|---------------|---------------|
| -- The World -- | 1,704         | 1,904         | 834           |
| United States   | 1,704         | 1,904         | 820           |
| Brazil          | 0             | 0             | 14            |
| Other           | 0             | 0             | 0             |

Source of Data: Statistics Canada

**Table 12: Peanut Meal Export Trade Matrix**

World Trade Atlas

Canada - Exports -Domestic-

HS: 2305 PEANUT RESIDUES

UOM: MT

| Country         | Oct 00-Sep 01 | Oct 01-Sep 02 | Oct 02-Sep 03 |
|-----------------|---------------|---------------|---------------|
| -- The World -- | 86.4          | 0.0           | 0.0           |
| United States   | 86.4          | 0.0           | 0.0           |
| Other           | 0.0           | 0.0           | 0.0           |

Source of Data: Statistics Canada

**Table 13: Peanut Butter Export Trade Matrix**

World Trade Atlas

Canada - Exports -Domestic-

HS: 20081110 Peanut butter

UOM: MT

| Country         | Oct 00-Sep 01 | Oct 01-Sep 02 | Oct 02-Sep 03 |
|-----------------|---------------|---------------|---------------|
| -- The World -- | 16,516        | 14,902        | 15,336        |
| United States   | 15,949        | 14,538        | 14,263        |
| Saudi Arabia    | 0             | 0             | 438           |
| Hong Kong       | 356           | 244           | 388           |
| Netherlands     | 109           | 23            | 0             |
| Other           | 102           | 97            | 247           |

Source of Data: Statistics Canada

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